

Performance Management in the City of Alexandria

March 4, 2013

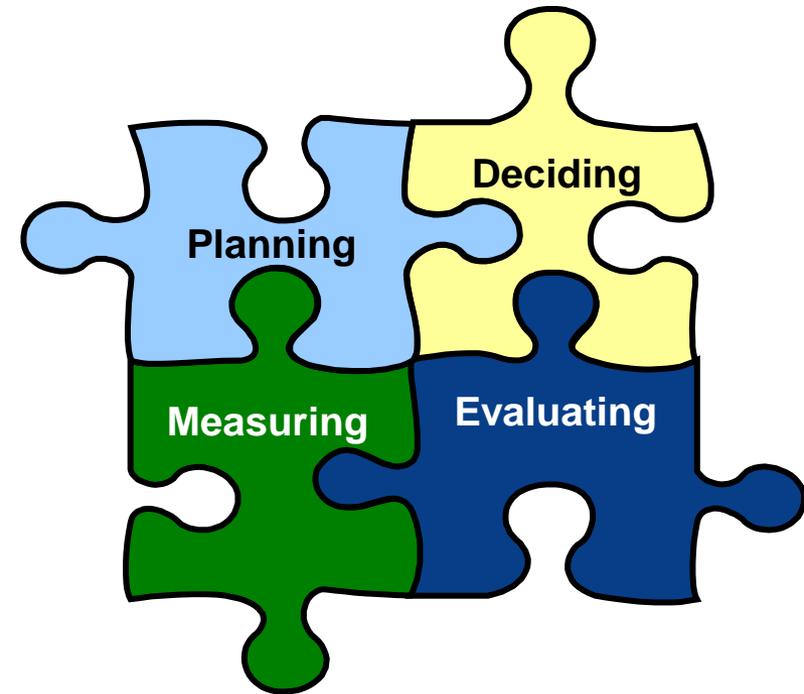
FY 2014 Proposed Budget Work Session



What is Performance Management in the City?



- **Performance management is:**
 - Planning strategically
 - Measuring performance
 - Evaluating services
 - Using strategic plans, performance measures, and analysis to inform decision making
- **Performance management is a tool that enables:**
 - *Evaluation:* How well are we performing?
 - *Control:* How can we assure we're doing the right thing?
 - *Budget:* What should we spend our money on?
 - *Motivation:* How can I get people to do what's necessary to improve performance?
 - *Promotion:* How can I convince stakeholders that we're doing a good job?
 - *Celebration:* What accomplishments are worth celebrating?
 - *Learning:* What works or doesn't work?
 - *Improvement:* What should we do differently?



Recent History of Performance Management in the City



Managing for Results Initiative (MFRI)

2006



2010



City Strategic Plan Updated

4 Guiding Principles Established

2011



FY13 budget appropriates resources for the Office of Performance and Accountability (OPA) and Innovation Fund

July 2012



OPA is Established

October 2012



Nov. 2012



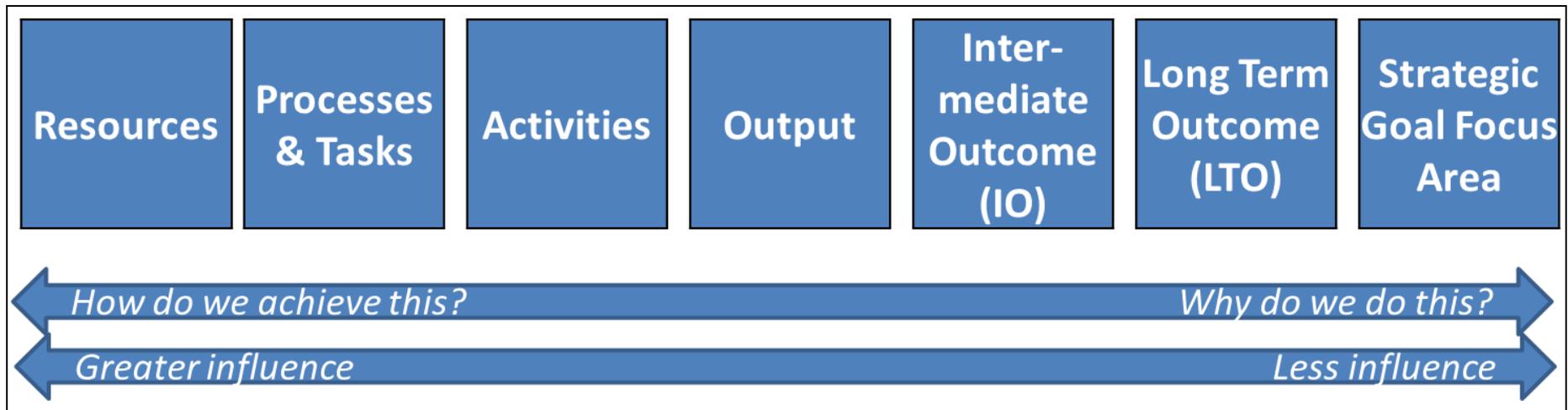
FY14 Phase 1 Started

Future planning begins

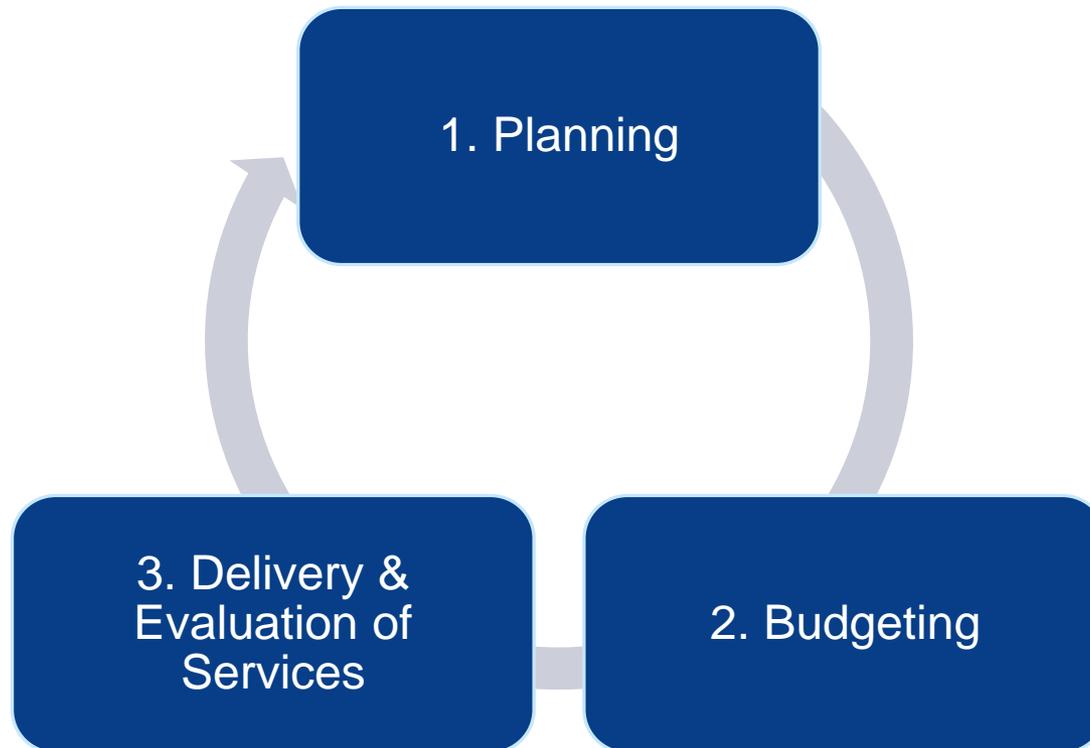
March 2013



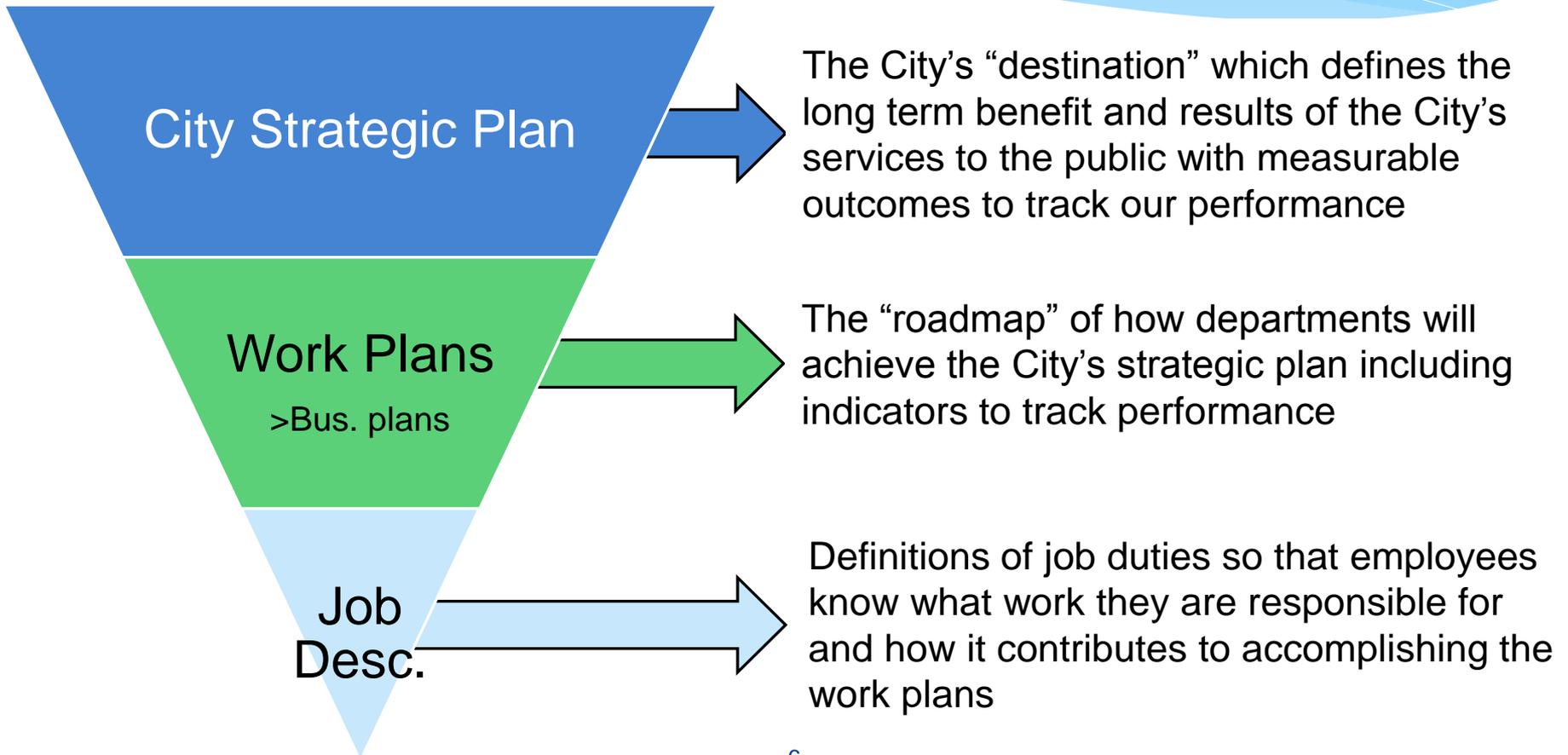
The City's Performance Management Philosophy – The Logic Model



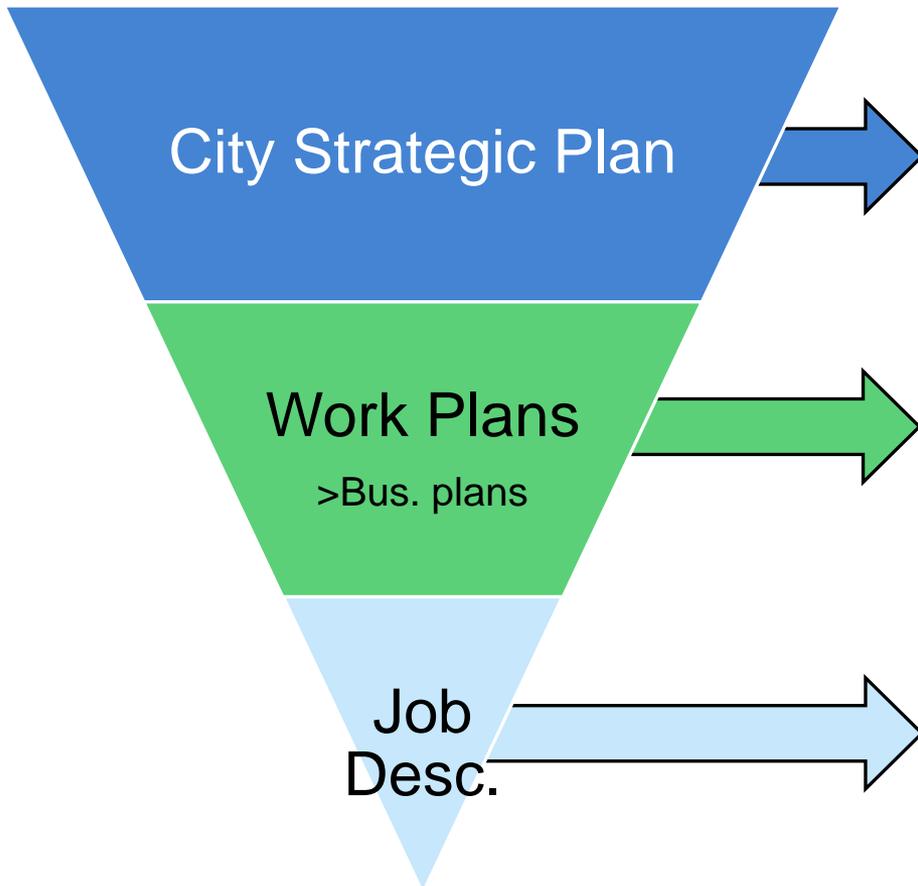
Performance Management Cycle



1. Planning

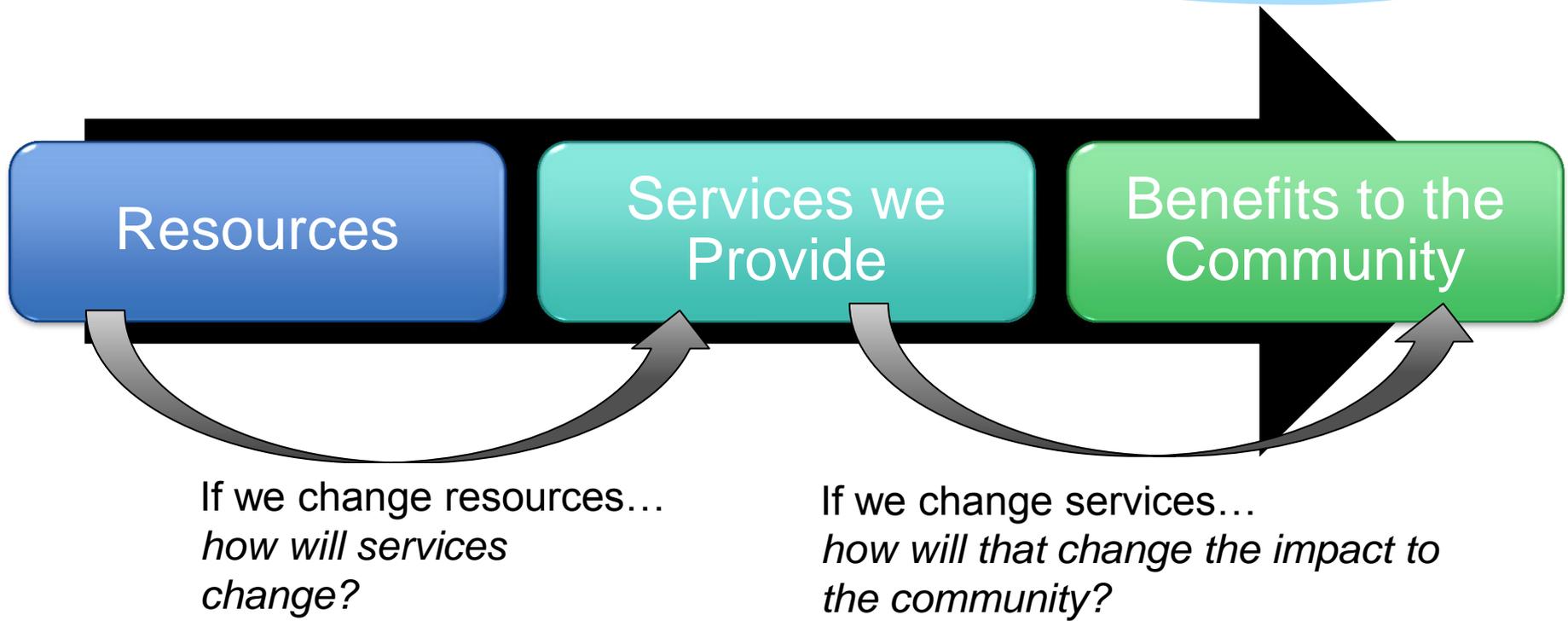


Where are We Now and Where are We Going?



- Last updated in 2010
- Staff refined for the FY14 budget process
- Future includes a revision lead by OPA with guidance from the City Council, public, and employees; focused on outcomes and developing indicators
- Currently MFRI is displayed in the budget document
- Next step is an evolution of MRFI which will be planned/developed this spring/summer for the FY15 budget process
- In the planning and development stage

2. Budgeting



First Steps, the FY 2014 Budget



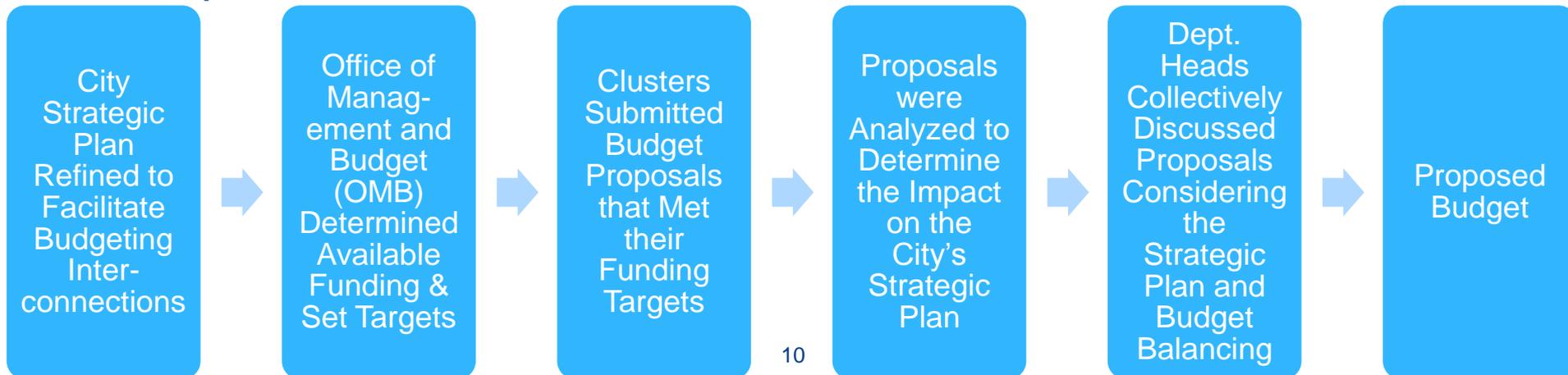
- First year, of a multi-year effort, to align and evaluate how budget changes impact services, and how those service changes impact the community
- Operating and CIP budget processes followed two different processes while working to achieve the same goal
- In the future, the goal is to utilize the same methodology and continue to improve the interconnections between resources, services, and the benefits to the public

FY 2014 - Operating



- First year, of a multi-year effort, to align and evaluate how budget changes impact services, and how those service changes impact the community

- The process in FY 2014:



FY 2014's Operating Tool



Name of the item	Description	Dept.	Anticipated impact on our outcomes	Performance Explanation	Expenditures	Revenues	FTEs
Goal 6. The City protects the safety and security of its residents, businesses, employees and visitors							
Decrease the loss of property from criminal acts Increase convictions of those who commit property crimes							
City Marina Security Reduction	Reduce after hour contracted marina security from 8 hours to 6 hours (from 9 pm-5 am to 10 pm-4 am)	RPCA	No impact	Reduce annual after hour security from 2,920 hours to 2,190 hours. which is anticipated to have no impact on any intermediate outcomes in fy14.	(15,000)		

- This tool was used to evaluate and communicate all 200 operating budget proposals
- This is the first year that the City has used this tool and will continue to refine it
- Evaluation was based on logic and limited data; in the future improved data sets will facilitate analysis

The CIP in FY 2014



- The process:
 - Evaluated CIP items using a new scoring and evaluation tool to rank new funding requests; part of the criteria was the alignment to the City's Strategic Plan
 - CIP development incorporated City Council Guidance which emphasized ACPS Capacity, Recreation Facilities, Public Safety Facilities, and Sewers and Basic Infrastructure, while maintaining last year's planned level of investment

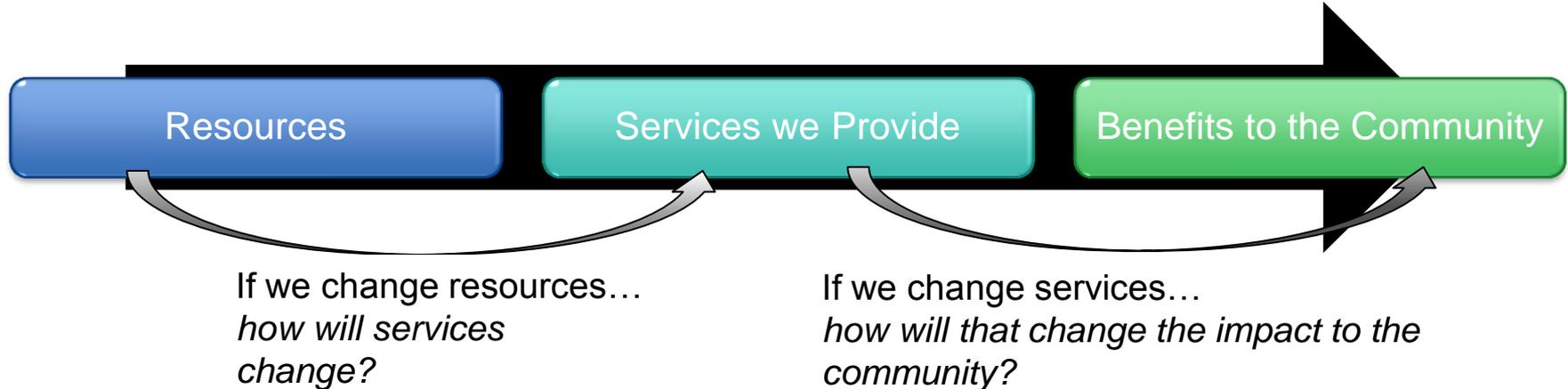
- The CIP document has been refined and presents how projects link to the City's Strategic Plan Goals and outcomes as well as an improved presentation of budget and financial information

- Proposed CIP will be discussed in detail at March 20 work session at GW Middle School library

Using Strategic and Performance Information in Council Deliberations



- Use the logic model approach....

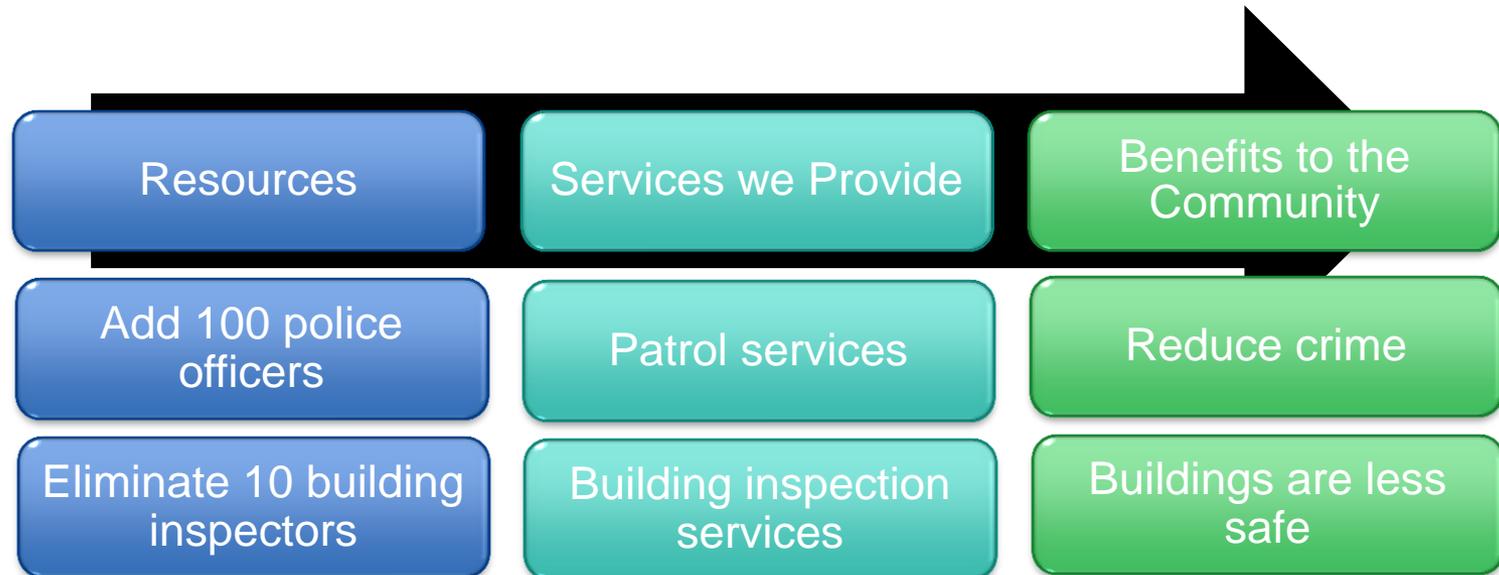


- This is our first year, in the future we will have a more comprehensive set of tools available
- The logic model is about “reasonable assurance” not precise impacts
- More money does not always mean better performance – and less money does not necessarily mean worse performance
- As the budget deliberation process unfolds, consider all of the components of the logic model and how they influence and impact each other

Using Strategic and Performance Information in Council Deliberations



- Use the logic model approach....



The above examples are for presentation purposes only – they are not included in the FY14 proposed budget

3. Delivery and Evaluation of Services



- **As services are delivered, how effective are they?**
 - Measure performance in work plans: In development, ready for FY15
 - Evaluate employee performance in accomplishing their work (and ultimately the department work plan): In development
 - Systematic service delivery analysis: AlexStat
- **InnovateAlexandria (Innovation Fund)**
 - Council adopted \$200,000 for inventive, forward thinking ideas in FY13 (funding can be rolled forward into FY14)
 - System is currently in development, implementation goal is spring 2013



What is AlexStat?

- **AlexStat - systematic approach to regularly evaluate and improve the efficiency and effectiveness of services in the City**
- **AlexStat is a meeting...**
 - ...internally between the City Manager's Office and departments to facilitate an open and honest dialog
 - ...wherein data and analysis are presented by the Office of Performance and Accountability (OPA)
 - ...to collaborate and solve problems based on data and analysis





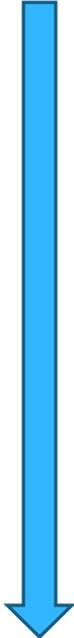
What is the AlexStat Process?



AlexStat Meeting Agenda



Agenda	OPA	City Manager's Office	Department
Introduction of the meeting	Present		
Analysis	Present	Discuss and questions	Discuss and questions
Recommendation Presentation	Present	Discuss and questions	Discuss and questions
Recommendation Decisions		Decide	



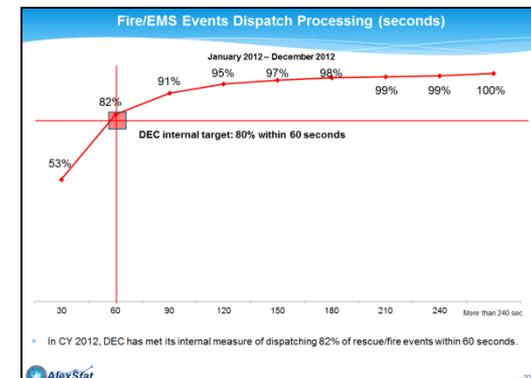
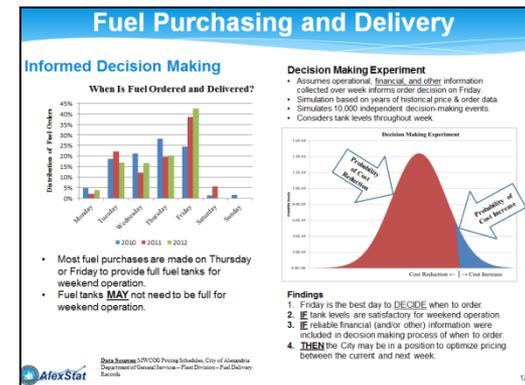
What has Happened in AlexStat To-Date?



- **Three pilot meetings**
 - Vehicle fuel
 - Fire/EMS overtime
 - DEC staffing (phase 1)

- **Recommendations**

- 43 recommendations have been made through this process
- All recommendations have been accepted by the City Manager and all are currently being implemented



What has Happened in AlexStat To-Date?



- Examples...

All Other OT – Budget/Expenditure History

	FY 2010	FY 2011	FY 2012	FY 2013	FY10-FY13 Savings (Cost)
Adopted Budget					
Fire	369,962	369,962	480,117	608,246	↓ (238,284)
EMS	488,366	512,493	512,493	545,470	↓ (57,104)
Admin.	112,645	112,645	112,645	112,645	→ -
Subtotal	970,973	995,100	1,105,255	1,266,361	↓ (295,388)
Actual (FY13 est.)					
Fire	1,818,254	1,431,767	1,400,842	1,483,809	↑ 334,445
EMS	571,697	869,008	947,123	894,636	↓ (322,939)
Admin.	269,385	334,791	455,296	613,978	↓ (344,594)
Subtotal	2,659,336	2,635,566	2,803,261	2,992,423	↓ (333,088)
Under (Over) Budget					
Fire	(1,448,292)	(1,061,805)	(920,725)	(875,563)	↑ 572,729
EMS	(83,331)	(356,515)	(434,630)	(349,166)	↓ (265,835)
Admin.	(156,740)	(222,146)	(342,651)	(501,333)	↓ (344,594)
Subtotal	(1,688,363)	(1,640,466)	(1,698,006)	(1,726,062)	↓ (37,700)

Part of the reason for the over-spending is that since FY10, the budget and expenditures were not in alignment

The budget and expenditures have grown by roughly the same amount, \$300k

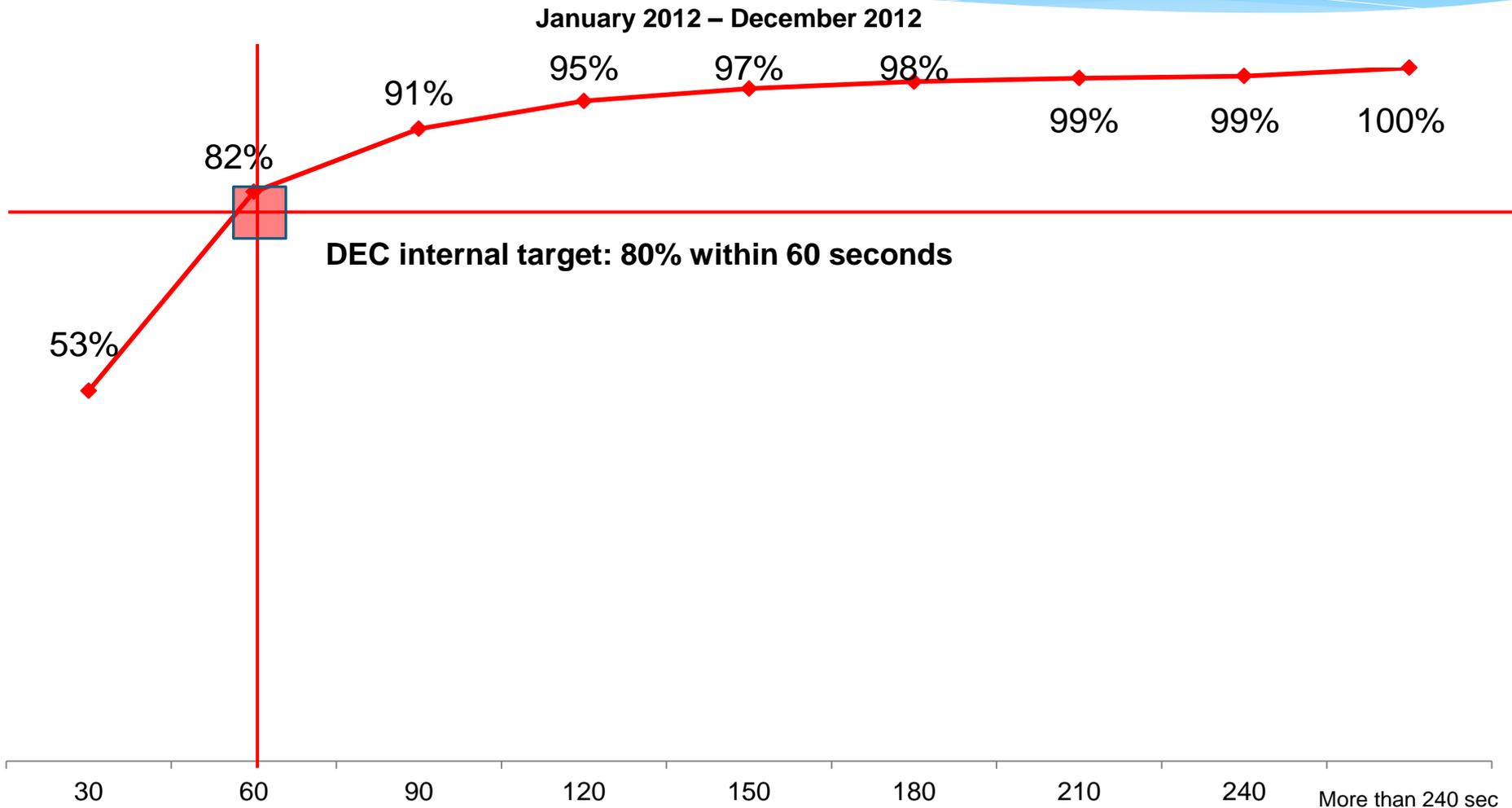
- FY13 estimate is based on OPA straight-line projection through Oct.; based on more recent data Fire/EMS is estimating \$3.2 million
- FY14 budget as of today is almost \$2.1 million

Findings and Recommendations

Finding 1: Right size the overtime budget for FY14 in Fire/EMS and further study minimum staffing and deployment levels

	Recommendations	Decision	Resp.
A	Increase overtime budget from \$2.1m to \$3m (\$900k) by moving \$900k in appropriation from full time salaries/benefits		
B	Review minimum staffing / deployment in an AlexStat meeting before changing staffing levels		

Fire/EMS Events Dispatch Processing (seconds)



- In CY 2012, DEC has met its internal measure of dispatching 82% of rescue/fire events within 60 seconds.



Future Plans for AlexStat

- **Upcoming meetings**
 - DEC staffing (phase 2)
 - EMS staffing
 - Take home vehicle policy
- **System vision highlights**
 - Employees able to submit topics for meetings
 - Display meeting materials and follow-up materials publically
 - Provide regular City Council and public updates of AlexStat highlights



Conclusion



- **The City's performance management system is currently in its infancy and will continue to evolve and change**
- **The next steps are currently being developed now with the goal of being inclusive and open as possible and briefing Council as we proceed**
- **Questions?**